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File: C. W. Zies

COUNTRY: India/USSR

25X1A

SUBJECT: Comments on New Trade Agreement

DATE

DATE ACQUIRED: Jan 54

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INFORMATION: Nov 53 and earlier

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1. "A Five-Year trade agreement has been concluded between India and the Soviet Union. The agreement, the first of its kind, provides for trade in a large number of items and specifies the procedure for trade, shipping and settlements of accounts between the two countries.
2. "Among the items agreed for export from India to the USSR during the first year of agreement are jute manufactures, tea, coffee, tobacco, black pepper, other spices, vegetable and essential oils, and coir yarn and rope.
3. "The list of goods agreed for import by India include foodgrains, iron and steel manufactures, chemicals, dyestuffs, medicaments, as well as a wide range of industrial equipment, including boring, mining, and road-building equipment, excavators, compressors, electrical equipment for textiles, tractors and agricultural machinery and various machine tools.
4. "Payments will be cleared through a rupee [Indian currency] account. The Soviet Government will, it is stated, render technical assistance not only in connection with equipment supplied but also in the planning and execution of various projects in India.
5. "So far, India's trade with the Soviet Union has been not of much volume and it is difficult to foresee how far trade will develop between the two countries. The USSR has been a fairly regular buyer of Indian tea and tobacco. The agreement is considered a great step forward in expanding Indo-Soviet economic relations."

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